

Board of Trustees Meeting

Thursday, March 12, 1998, 9:30 a.m.
Utah Association of Counties Offices
4021 South 700 East, Suite 180, Salt Lake City

A G E N D A

9:30	Call to Order	Gary Herbert
	Review of Board Members Absent	Gary Herbert
	Approval of February 20 and February 26, 1998, Minutes	Gary Herbert
	Appoint Chair of Law Enforcement Committee	Gary Herbert
	Approval of UACIM Organizational Chart	Brett Rich
	Signature of Secretary on Board Meeting Minutes	Brett Rich
	Advisory Committee Report	Brett Rich
	Appointment of a Project Consultant	Gary Herbert
	Broker Report	Rich Stokluska
	Weber County Membership Proposal	Brett Rich
	Director's Report	Brett Rich
12:00	Lunch	
	Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation	
	Action on Litigation Matters	Kent Sundberg
	Set Date and Time for Closed Meeting to Discuss the Character, Professional Competence, or Physical or Mental Health of an Individual	
	Other Business	Gary Herbert
1:00	Adjourn	



UTAH ASSOCIATION
OF COUNTIES
INSURANCE MUTUAL

UACIM BOARD OF TRUSTEES MEETING MINUTES

March 12, 1998, 9:30 a.m.
Utah Association of Counties Offices

BOARD MEMBERS PRESENT

Gary Herbert, *President*, Utah County Commissioner
Jerry Hess, *Vice President*, Davis County Deputy Attorney
Tony Dearden, Millard County Commissioner
Ty Lewis, San Juan County Commissioner
Tex Olsen, Sevier County Commissioner
John Swasey, Duchesne County Commissioner

BOARD MEMBERS ABSENT

Dan McConkie, *Secretary/Treasurer*, Davis County Commissioner
Chad Johnson, Beaver County Commissioner
Monte Munns, Box Elder County Assessor-Treasurer

OTHERS PRESENT

Kent Sundberg, Chairman, Litigation Management Committee
Brent Gardner, UAC Executive Director
Brett Rich, Director, UACIM
Sonya White, Executive Assistant
Rich Stokluska, GRMS Account Executive
Doug Alexander, McLarens Toplis Claims Administrator

CALL to ORDER

Gary Herbert called the meeting to order and welcomed those in attendance.

REVIEW of BOARD MEMBERS ABSENT

The following Trustees requested to be excused from this meeting: Dan McConkie, who is out of the state; Monte Munns, who is attending his son's ball tournament; and Chad Johnson called to say he could not attend. Ty Lewis made a motion to excuse Dan, Monte and Chad from this meeting. Tex Olsen seconded the motion, which passed unanimously.

APPROVAL of FEBRUARY 20 and FEBRUARY 26, 1998, MINUTES

The minutes of the Board of Trustees meeting held on February 20, 1998 and the Telephonic Conference held on February 26, 1998 were previously sent to the Board Members for review. Rich Stokluska requested that the motion in paragraph two of the BROKER REPORT be corrected to read: *Gary Herbert made a motion to purchase the St. Paul policy to provide professional liability coverage for the 1998 policy year. For 1999, research the possibility of a separate first dollar program.* Jerry Hess made a motion to approve the February 20 minutes as corrected and the February 26 minutes as written. John Swasey seconded the motion, which passed unanimously.

APPOINT CHAIR of the LAW ENFORCEMENT COMMITTEE

Tony Dearden made a motion to appoint Ed Phillips, Millard County Sheriff, as the Chair of the UACIM Law Enforcement Committee. Jerry Hess seconded the motion, which passed unanimously.

4021 SOUTH
SUITE 180
MURRAY
UTAH 84107
801-265-1331
FAX 801-265-9485

APPROVAL of UACIM ORGANIZATIONAL CHART

Brett Rich reviewed the revised organizational chart with the changes made as directed by the Board at the February 20 meeting. Tex Olsen made a motion to approve the UACIM Organizational Chart. Ty Lewis seconded the motion, which passed unanimously.

SIGNATURE of SECRETARY on BOARD MEETING MINUTES

Dan Applegarth, the Insurance Department Examiner who is performing the financial examination of the Mutual, has noted that the Secretary of the Board of Trustees has not been signing the approved minutes of the Board meetings. This is not a requirement under §52-4-7 of the Utah Code but is evidently standard practice. The Board agreed that all minutes, from this day on, will include a signature line whereon the Secretary of the Mutual will sign.

ADVISORY COMMITTEE REPORT

Brett Rich reported that the Advisory Committee met on March 11, 1998 and appointed Kay Blackwell, Piute County Commissioner, as the new Chair of the Committee. Next, each Committee member thoroughly read the three consulting services proposals. The Committee felt a company without any prior involvement with the Mutual should be awarded the contract. Also, although the Committee was quite impressed with the reputation of one of the bidders, they felt the costs of the services were not justified. Therefore, the Committee's unanimous recommendation to the Board is to award Warren, McVeigh & Griffin the consulting contract for the purposes of auditing the UACIM program. Warren McVeigh is a nationally known company with a good reputation. They are recognized for their publications in loss control and risk management. Their fee is \$12,000 with an hourly rate of \$150 to \$185 to personally report to the Board of Trustees.

APPOINTMENT of a PROJECT CONSULTANT

Ty Lewis made a motion to accept the recommendation of the Advisory Committee and award the consulting contract to Warren, McVeigh & Griffin. Once the audit is complete, it will be decided whether or not the Board would like a report presented to them. John Swasey seconded the motion, which passed with Jerry Hess opposing.

BROKER REPORT

Rich Stokluska reviewed the Coregis Special District proposal that will be presented to the members at the April Membership meeting. The proposal includes eligible districts, coverages available, limits, risk control and claims services. The Board was concerned that health districts were not listed as an eligible district. Rich will verify whether or not health districts are eligible prior to the Membership meeting. Brett Rich explained that the Insurance Department Examiner is reviewing the concept of an "Insurance Agent" which means that he (Brett) may need to be licensed as an agent and the Mutual as an agency to provide this type of program to its members. John Swasey made a motion to approve the Special District program upon the review of the Insurance Department and any licensing requirements. Tony Dearden seconded the motion, which passed unanimously.

WEBER COUNTY MEMBERSHIP PROPOSAL

Brett Rich explained that he continues to be unable to meet with Dave Wilson, Weber County Deputy Attorney. Brett is scheduled to meet with Dave next Wednesday, March 18, at which time Dave said he would have a preliminary recommendation for Brett to review. If Dave is going to recommend the Mutual to the Weber County Commission, Brett requested that one of the Trustees attend the presentation to the Commission with him.

DIRECTOR'S REPORT

ANNUAL STATEMENT A copy of the UACIM Annual Statement was previously sent to the Board Members. The Annual Statement, prepared by Larson & Company, has been filed with NAIC and the Insurance Department. The Board was very pleased with the Statement, which leaves no room for interpretation by competitors. Policyholders surplus for the year 1997 is \$2,337,588 compared to \$1,429,431 for the year 1996. Brett Rich will schedule a meeting with the Insurance Commissioner to discuss the requirements needed to release the debenture monies.

TRUSTEES BIOS Brett Rich explained that four of the Trustees have not returned their completed biographical information required by statute and reiterated the importance of returning the information immediately.

AMENDMENTS TO BYLAWS Brett Rich explained that the Insurance Department has decided to hold a hearing on section 5.2 of the Bylaws following the approval of the amendment to section 5.2 by the membership. Therefore, if the amendments are approved on April 15, they must be approved subject to the Commissioner granting an exemption from Utah Code Annotated §31A-5-407 and Brett will then contact the Insurance Department to schedule the hearing.

CHANGE IN ACTUARY Pursuant to the NAIC Rule of reporting a change in actuary to the Insurance Department prior to December, Brett Rich has sent a letter to the Department notifying them of the change in actuary for the Mutual and the circumstances surrounding the delay in the notification.

SET DATE and TIME for CLOSED MEETING

Ty Lewis made a motion to set the date and time for a closed meeting to begin at 11:10 a.m. on March 12, 1998, to discuss pending or reasonably imminent litigation. Tony Dearden seconded the motion, which passed unanimously.

Ty Lewis made a motion to conclude the closed meeting at 11:45 a.m. on March 12, 1998. Jerry Hess seconded the motion, which passed unanimously.

ACTION on LITIGATION MATTERS

Jerry Hess made a motion authorizing an offer of judgement in the amount of \$25,000, with authority up to an amount of \$35,000, to settle claim number 801DAV947057. Tony Dearden seconded the motion, which passed unanimously.

John Swasey made a motion to ratify the authority given during the February 26 telephonic conference to settle claim number 801KAN988295 up to an amount of \$31,000.

SET DATE and TIME for CLOSED MEETING

Tex Olsen made a motion to set the date and time for a closed meeting to begin at 12:15 p.m. on March 11, 1998, to discuss the character, professional competence or physical or mental health of an individual. Ty Lewis seconded the motion, which passed unanimously.

Tex Olsen made a motion to conclude the closed meeting at 12:40 p.m. on March 12, 1998. The motion was seconded and passed unanimously.

OTHER BUSINESS

The next meeting of the Board of Trustees will be held on May 28, 1998—time and place to be determined.

Approved on May 28, 1998

Dannie R. McConkie, UAOIM Secretary-Treasurer
Davis County Commissioner

AFFIDAVIT OF GARY R. HERBERT

STATE OF UTAH

)

:ss

COUNTY OF SALT LAKE

)

Gary R. Herbert, being duly sworn upon oath, deposes and says:

1. That the affiant has personal knowledge of the matters hereinafter referred to in this Affidavit.

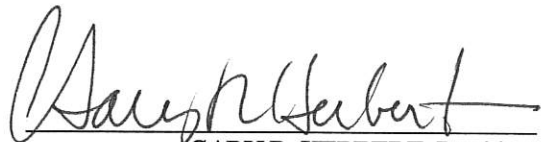
2. That the Affiant, on or about the 12th day of March, 1998, presided over a meeting of the Utah Association of Counties Insurance Mutual Board of Trustees, an open and public meeting within the provisions of Chapter 4, Title 52, Utah Code Annotated, 1953, as amended.

3. That a quorum of the Utah Association of Counties Insurance Mutual Board of Trustees was present and at least two-thirds of the members present, voted to close the meeting pursuant to the provisions of Section 52-4-4, Utah Code Annotated, 1953, as amended, for the purpose of discussing the character, professional competence, or physical or mental health of an individual.

4. That the affiant was present throughout the meeting and, pursuant to the provisions of Section 52-4-7.5, the affiant does hereby affirm that the sole purpose for closing the meeting was to discuss the character, professional competence, or physical or mental health of an individual or individuals.

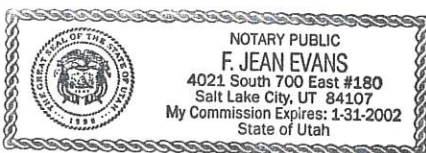
FURTHER, Affiant saith not.


DATED this 12th day of March, 1998.



GARY R. HERBERT, President
Utah Association of Counties Insurance Mutual

On the 12th day of March, 1998, personally appeared before me Gary R. Herbert, who, after being by me duly sworn, deposed and said that the information contained in the above and foregoing Affidavit is true and correct.




NOTARY PUBLIC
Salt Lake City, Ut

Residing at:

My Commission Expires:

1-31-2002

Organizational Chart

